TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
SHERWOOD BRANDS, LLC		06/03/2005	LIMITED LIABILITY COMPANY: MARYLAND
SHERWOOD BRANDS ZIP, LLC		06/03/2005	LIMITED LIABILITY COMPANY: MARYLAND
ASHER CANDY, INC.		06/03/2005	CORPORATION: WYOMING

RECEIVING PARTY DATA

Name:	BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
Street Address:	1717 KING STREET
City:	ALEXANDRIA
State/Country:	VIRGINIA
Postal Code:	22314
Entity Type:	BANKING CORPORATION: VIRGINIA

PROPERTY NUMBERS Total: 67

Property Type	Number	Word Mark
Registration Number:	2860754	14 CARROT
Registration Number:	1975566	ASHER
Registration Number:	2649259	BENDY BUDDIES
Registration Number:	2626542	BIG CURL
Registration Number:	2773741	BLOOD BALLS
Registration Number:	2619159	CARDS & POPS
Registration Number:	2588952	CONVERSATION POPS!
Registration Number:	2508152	COOL CASH
Registration Number:	2145556	COWS
Registration Number:	2135985	COWPOKES
Registration Number:	2338732	COWS

OP $1690.00 2860754

Registration Number:	1658707	DEMITASSE
Registration Number:	2604740	
Registration Number:	2604741	
Registration Number:	2604739	
Registration Number:	2681459	EGG STREME
Registration Number:	2764939	EGG-STREME
Registration Number:	2666396	ELANA
Registration Number:	1511976	ELANA
Registration Number:	2401735	FRUIT BURST
Registration Number:	2386158	FRUIT HILL
Registration Number:	1771711	GOURMET CANES
Registration Number:	2391946	GUMMI SKULLS
Registration Number:	2765756	GUMMY WORKSHOP
Registration Number:	2602558	HOLIDAY GIFTS
Registration Number:	2119938	HOT CO-COW
Registration Number:	2765757	JELLY MUMMY MIX
Registration Number:	2688372	KASTIN'S
Registration Number:	2648180	LITTLE PRINCESS
Registration Number:	2921508	NORTH POLE
Registration Number:	2564012	P.B. COWS
Registration Number:	2705381	PUMPKINHEADS
Registration Number:	2398709	RABBIT CHANGE
Registration Number:	1511159	RUGER
Registration Number:	2659318	RUGER
Registration Number:	2621269	SECRET NOTES
Registration Number:	2453068	SHERWOOD
Registration Number:	2351828	SHERWOOD COFFEE PERKS
Registration Number:	2444418	SHERWOOD PIRATE'S GOLD
Registration Number:	2441208	SHERWOOD'S TOKENS OF LOVE
Registration Number:	2447293	SMILE POPS
Registration Number:	2216344	
Registration Number:	2698652	SPOOKY EYES
Registration Number:	2649258	STAMP PAD PALS
Registration Number:	2787287	STUFFED
Registration Number:	2576078	THE GREAT EASTER EGG HUNT

Registration Number:	2780735	THE ONE AND ONLY GUMMY CANDY CORN
Registration Number:	2659319	" THE REWARD"
Registration Number:	1620239	STRIPOPOPS
Registration Number:	1766099	TIGER TAILS
Registration Number:	2500045	TOKENS OF LOVE
Registration Number:	2321982	TONGUE TATTOO
Registration Number:	2373487	TONGUE TATTOO
Registration Number:	2859203	TONGUE TATTOO SPACE ALIEN SUCKERS BY SHERWOOD BRANDS
Registration Number:	2771852	WITCH'S BREW
Serial Number:	78414753	ASHER WANDERFULS
Serial Number:	78414755	ASHER WANDERFULS THE CANDY WAND WITH A TWIST
Serial Number:	78568296	BLING
Serial Number:	76327940	12 CARROT
Serial Number:	76327939	18 CARROT
Serial Number:	76327938	24 CARROT
Serial Number:	78506773	COWS
Serial Number:	76299269	FOOD FIGHT
Serial Number:	78413435	ROCKHEADS
Serial Number:	78348306	THE NORTH POLE
Serial Number:	76178588	TONGUE TATTOO SCREAM POPS
Serial Number:	78562847	ZYPPERZ

CORRESPONDENCE DATA

Fax Number: (202)887-0689

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 202-861-9136

Email: ormang@dsmo.com

Correspondent Name: Gayle Orman

Address Line 1: 2101 L Street NW

Address Line 4: Washington, DISTRICT OF COLUMBIA 20037-1526

NAME OF SUBMITTER:	Gayle Orman
Signature:	/gayleorman/
Date:	07/26/2005

Total Attachments: 20

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made and entered into as of the 3rd day of June, 2005, by SHERWOOD BRANDS, INC., a North Carolina corporation, SHERWOOD BRANDS OF RI, INC., a Rhode Island corporation, ASHER CANDY, INC., a Wyoming corporation, SHERWOOD BRANDS OF MASSACHUSETTS, LLC, a Massachusetts limited liability company, SHERWOOD BRANDS OF VIRGINIA, LLC, a Virginia limited liability company, SHERWOOD BRANDS, LLC, a Maryland limited liability company, SHERWOOD BRANDS OVERSEAS, INC., a Bahamas corporation, SHERWOOD BRANDS ZIP, LLC, a Maryland limited liability company, and each other "Borrower" party to the hereinafter referenced Loan Agreement from time to time (each individually, a "Borrower" and collectively, the "Borrowers"), each having offices at 1803 Research Boulevard, Suite 201, Rockville, Maryland 20850, in favor of BRANCH BANKING AND TRUST COMPANY OF VIRGINIA, a Virginia banking corporation (the "Lender"), having offices at 1717 King Street, Alexandria, Virginia 22314. Capitalized terms used but not defined herein shall have the meanings attributed to such terms in that certain Business Loan and Security Agreement of even date herewith (as the same may be modified or amended from time to time, the "Loan Agreement"), by and among the Lender and the Borrowers.

WITNESSETH:

To secure repayment of a credit facility and other financial accommodations (collectively, the "Loan") made by the Lender to the Borrowers pursuant to the Loan Agreement, in the maximum principal amount of Twenty Million and No/100 Dollars ($20,000,000.00), plus all interest, fees and other charges payable in connection with the Loan, which Loan is evidenced by the Note; and also to secure any other indebtedness or liability of the Borrowers to the Lender, whether direct or indirect, joint, several, joint and several, absolute or contingent, due or to become due or now existing or hereafter created or arising, including without limitation all future advances or loans which may be made to the Borrowers at the option of the Lender in connection with the Loan or otherwise (all of the foregoing being herein collectively referred to as the "Indebtedness"), the Borrowers hereby grant and convey to the Lender a continuing security interest in all of the Borrowers' right, title and interest in and to the following (collectively, the "Collateral"):

(a) all patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses (to the extent assignable), patent applications, service mark applications, trademark applications and mask work applications and other intellectual property, which, in each case, are owned by any Borrower and are now or hereafter filed with the United States Patent and Trademark Office, or, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other country, or used in the United States, any state, territory or possession thereof or any other country, including, without limitation, the patents, trademarks, trademark registrations, trade names, trademark applications, service marks, mask works, copyrights, licenses and other intellectual property listed on ***Schedule 1*** attached hereto and made a part hereof, and (i) any and all reissues, renewals, extensions, continuations, continuations-in-part and divisions thereof; (ii) any and all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringement thereof; (iii) the right to sue for past, present and future infringement thereof; and (iv) any and all rights corresponding thereto throughout the world (all of the foregoing patents, trademarks, trademark registrations, trade names, trademark applications, service marks, mask works, copyrights, licenses, and other intellectual property, together with all other items described in the foregoing clauses (i) - (iv) of this subparagraph (a), are sometimes hereinafter referred to, either individually or collectively, as the "Intellectual Property"); and

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(b) the goodwill of the Borrowers' business connected with and symbolized by the Intellectual Property.

In connection with the security interest hereby granted and executed, the Borrowers jointly and severally represent, warrant, covenant and agree as follows:

1. License.

(a) Grant of License to the Lender. Each Borrower hereby grants to the Lender a non-exclusive, assignable right and license (i) under the Intellectual Property, to use such Intellectual Property following the occurrence of an Event of Default (as defined in Section 8 of this Agreement) which has continued unremedied beyond any applicable notice and/or grace period; and (ii) under any license agreements held by any Borrower with respect to Intellectual Property owned by any person or entity other than a Borrower (to the extent permitted under such agreements), to sell Collateral bearing any such Intellectual Property (to the extent that such license is reasonably necessary to permit or to facilitate the collection of any accounts of any Borrower) following the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and/or grace period, or the disposition of any Collateral following the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and/or grace period. The right and license granted pursuant to this subparagraph (the "License") shall not require payment by the Lender to any Borrower of any royalty or other payments or fees, and the permitted use by the Lender thereunder shall be (A) worldwide, and (B) limited only by those restrictions to which such Borrower is subject pursuant to the terms of the Intellectual Property.

(b) Term of License. The term of the License (the "License Term") shall continue until the earliest of (i) the expiration of all of the Intellectual Property, or (ii) payment in full of all Indebtedness and the termination of all commitments under the Loan Documents; or (iii) disposition of all Collateral and any proceeds thereof in connection with the enforcement of the Lender's remedies under the Loan Documents and application of the proceeds of such disposition to the satisfaction of the Indebtedness.

2. Restrictions on Future Agreements. Until payment in full of the Indebtedness and termination of all commitments under the Loan Documents, no Borrower will, without the Lender's prior written consent, (a) enter into any agreement (including, without limitation, any license agreement) that would result in a breach or default under this Agreement; (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (including, without limitation, the abandonment of any Intellectual Property material to the operation of such Borrower's business), that would affect the validity or enforceability of the rights transferred to the Lender under this Agreement; or (c) enter into any other contractual indebtedness which may restrict or inhibit the Lender's right to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

3. New Intellectual Property. Each Borrower represents and warrants that the Intellectual Property listed on ***Schedule 1*** constitutes all of the registered patents, trademarks, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property which are, as of the date hereof, owned by or pending on behalf of such Borrower in the United States or any State of the United States. If, before the payment in full of the Indebtedness and termination of all commitments under the Loan Documents, any Borrower shall (i) obtain any registration or apply for any registration after the date hereof in the United States Patent and Trademark Office or in any similar office or agency of a state, territory or possession of the United States, or obtain rights to any patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses and other intellectual property

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used in the United States or any state, territory or possession thereof, or (ii) become entitled to the benefit of any patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property in the United States or any state, territory or possession thereof, then, in any such event, the provisions of Section 1 shall automatically apply thereto and such Borrower shall give to the Lender prompt written notice thereof (but in all events within thirty (30) Business Days of any event described in clauses (i) and (ii) above). Each Borrower hereby authorizes the Lender to modify this Agreement by amending ***Schedule 1*** to include any such future patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications and mask work application and other intellectual property that are Intellectual Property, as applicable.

4. Additional Representations and Warranties. The Borrowers jointly and severally hereby represent, warrant, covenant and agree that:

(a) Each Borrower is and will continue to be the owner of all rights, title and interests in and to the Collateral so long as the Intellectual Property shall continue in force, free from any lien in favor of any person or entity (other than Permitted Liens).

(b) Each Borrower has the full right, power and authority to grant the security interest and license in the Collateral made hereby.

(c) No Borrower has made any previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer or encumbrance of any of the Collateral (other than in favor of the Lender and/or its predecessor-in-interest).

(d) To the best of the Borrowers' knowledge, no material infringement or unauthorized use presently is being made of any Intellectual Property which would adversely affect the fair market value of the Collateral or the benefits of this Agreement, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of the Lender hereunder, and the Borrowers will continue to maintain such monitoring and enforcement practices as may be necessary to fully and adequately protect the Collateral. The Borrowers have advised the Lender of their intellectual property monitoring and enforcement practices, and will not materially modify such practices without the prior written consent of the Lender.

5. The Lender's Right to Maintain Quality. Each Borrower agrees that from and after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and/or cure period, the Lender shall have the right to establish such additional quality controls as the Lender, in its judgment, may deem necessary to assure maintenance of the quality of services sold by such Borrower under the Intellectual Property. Each Borrower agrees (i) not to sell or assign any of its interest in, or to grant any license under, any Intellectual Property without the prior written consent of the Lender if such sale or assignment is (a) to an affiliated or related party, (b) not on market terms; or (c) prohibited by any provision of the Loan Agreement; (ii) to maintain the quality of any and all services in connection with which the Intellectual Property are used, consistent with the quality of such services as of the date hereof; and (iii) to provide the Lender, upon request, with a certificate of an officer of such Borrower certifying such Borrower's compliance with the foregoing.

6. Duties of the Borrowers. Each Borrower shall (i) prosecute diligently any patent application, service mark application, trademark application and mask work application that is now or hereafter material to such Borrower's business operations and part of the Intellectual Property pending as of the date hereof or thereafter until payment in full of the Indebtedness and termination of all

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commitments under the Loan Documents; (ii) make application on patents, trademarks, trade names, service marks, mask works and copyrights, as appropriate, which are or may hereafter be material to such Borrower's business operations; (iii) preserve and maintain all rights in patents, trademarks, trademark registrations, trade names, service marks, mask works, copyrights, licenses, patent applications, service mark applications, trademark applications, mask work applications and other intellectual property that are part of the Intellectual Property and material to such Borrower's business operations; (iv) not abandon any right to file a material patent application, service mark application, trademark application and mask work application nor any pending material patent application, service mark application, trademark application or mask work application without the prior written consent of the Lender if the value thereof could reasonably be expected to justify the cost of obtaining such patent, service mark, trademark or mask work; and (v) not abandon any material Intellectual Property. Any expenses incurred in connection with the applications referred to in this Section 6 shall be borne by the Borrowers.

If any Borrower fails to comply with any of the foregoing duties, the Lender may so comply in such Borrower's name to the extent permitted by law, but at Borrowers' expense, and each Borrower hereby agrees to reimburse the Lender in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside or outside counsel) incurred by the Lender in protecting, defending and maintaining the Collateral and/or the Lender's security interest therein.

In the event that any Borrower shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien or encumbrance prohibited hereby, or shall fail to comply with any other duty hereunder, the Lender may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of such Borrower, and all moneys so paid out shall be Indebtedness of the Borrowers repayable on demand, with interest after demand at the Default Rate.

Each Borrower shall take all action necessary to preserve and maintain the validity, perfection and first priority of the Lender's security interest granted herein in the Collateral.

7. The Lender's Right to Sue. From and after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and/or grace period, the Lender shall have the right, but shall in no way be obligated, to bring suit in its own name or in any Borrower's name to enforce the Collateral (or its security interest therein), and any licenses thereunder, and if the Lender shall commence any such suit, such Borrower shall, at the request of the Lender, do any and all lawful acts and execute any and all proper documents required by the Lender in aid of such enforcement, and the Borrowers shall indemnify and upon demand, promptly reimburse the Lender for all reasonable costs and expenses incurred by the Lender in the exercise of its rights under this Section 7.

8. Default; Remedies.

(a) For purposes of this Agreement, any of the following occurrences shall constitute an "Event of Default" hereunder:

(i) An Event of Default under the Loan Agreement; or

(ii) If any representation or warranty set forth in this Agreement and qualified by a "materiality" standard shall be untrue in any respect when made, or if any representation or warranty set forth in this Agreement not qualified by a "materiality" standard shall be untrue in any material respect when made; it being understood and agreed that each such representation and warranty made herein shall survive the making of the Loan, and shall be deemed remade and redated as of the date of each advance or readvance of any Loan proceeds; or

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(iii) If any Borrower fails to observe or perform any of the covenants and agreements set forth in this Agreement and such breach continues unremedied for a period of fifteen (15) days after written notice from the Lender of such default; or

(iv) If all or any part of the Collateral is subject to levy of execution or other judicial process.

(b) Upon the occurrence of any Event of Default which has continued unremedied beyond any applicable notice and/or grace period, the Lender shall be entitled to exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the Loan Agreement and other Loan Documents or otherwise available to it, all of the rights and remedies of a secured party under the UCC, whether or not the UCC applies to the affected Collateral, and also may (i) require each Borrower, and each Borrower hereby agrees that, in order to facilitate a foreclosure sale and subsequent transfer, it will, upon the request of the Lender, forthwith, execute and deliver an assignment, substantially in the form of ***Exhibit A*** hereto, of all of its right, title and interest in and to the Collateral, and take such other action as the Lender may request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and/or protect the Lender's rights and remedies with respect to such assigned Collateral; (ii) without notice (except as specified below) sell the Intellectual Property and the goodwill of the businesses related thereto or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as the Lender may deem commercially reasonable; (iii) require any Borrower to cease its use of any Intellectual Property for any purpose whatsoever; (iv) grant such general, special or other license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion deem appropriate. The Borrowers agree that at least ten (10) days' notice to the Borrowers of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Subject to the applicable provisions of the UCC, the Lender may purchase all or any part of the Collateral at public or private sale and, in lieu of actual payment of the purchase price, may set-off the amount of such price against the Indebtedness. The proceeds realized from the sale of any Collateral shall be applied first to the reasonable costs, expenses and attorneys and paralegal fees and expenses of collection and/or for acquisition, protection and sale of the Collateral; second to interest due upon any of the Indebtedness; and third to the principal of the Indebtedness. If any deficiency shall remain, the Borrowers shall remain liable to the Lender therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect the Lender's security interest in the Collateral until the Indebtedness is fully paid. The Borrowers agree that the Lender has no obligation to preserve rights to Collateral against any other parties.

9. Miscellaneous Provisions.

(a) Notice. Any notice, approval, consent or other communication shall be in the form and manner, and to the addresses, as set forth in the Loan Agreement.

(b) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

(c) Amendments. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered by the Lender and the Borrowers.

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(d) No Waiver. No delay in enforcing or failure to enforce any right under this Agreement by the Lender shall constitute a waiver by the Lender of such right. No waiver by the Lender of any default hereunder shall be effective unless in writing, nor shall any waiver operate as a waiver of any other default or of the same default on a future occasion.

(e) Interpretation of Agreement. Time is of the essence with respect to each provision of this Agreement of which time is an element. If any provision of this Agreement should be found to be invalid or unenforceable, all of the other provisions shall nonetheless remain in full force and effect to the maximum extent permitted by law. To the extent a term or provision of this Agreement conflicts with the Loan Agreement and is not dealt with more specifically herein, the Loan Agreement shall control with respect to such term or provision. Unless the context clearly indicates to the contrary, determinations regarding the materiality of any Intellectual Property or of act, event, condition or circumstance shall be in the reasonable judgment of the Lender.

(f) Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Indebtedness and termination of all commitments under the Loan Documents; (ii) be binding upon the Borrowers and their respective successors and assigns; and (iii) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns.

(g) Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Lender in respect of the Indebtedness is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or upon the appointment of any intervenor or conservator of, or trustee or similar official for, any Borrower or any substantial part of its assets, or otherwise, all as though such payments had not been made.

(h) Final Expression. This Agreement, together with the Loan Agreement, the Loan Documents and any other agreement executed in connection herewith, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof with respect to the subject matter thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(i) Survival of Provisions. All representations, warranties and covenants of the Borrowers contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by the Borrowers of the Indebtedness and all other obligations secured hereby.

(j) Power of Attorney. Each Borrower hereby appoints and constitutes the Lender as such Borrower's attorney-in-fact, upon and at any time after the occurrence of an Event of Default which has continued unremedied beyond any applicable notice and/or grace period, for purposes of (i) endorsing such Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Lender in connection with the use of the Collateral, including, without limitation, the assignment substantially in the form of ***Exhibit A*** hereto; (ii) take any other action with respect to the Collateral as the Lender deems in its best interest; (iii) grant or issue any exclusive or non-exclusive license under the Collateral to anyone; or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone, and to take any other actions arising from or incident to the powers granted to the Lender in this Agreement. This power of attorney is coupled with an interest and is irrevocable.

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(k) Authority of the Lender. The Lender shall have and be entitled to exercise all powers hereunder which are specifically granted to the Lender by the terms hereof, together with such powers as are reasonably incident thereto. The Lender may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees, and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Neither the Lender nor any director, officer, employee, attorney of the Lender shall be liable to the Borrowers for any action taken or omitted to be taken by it or them hereunder, except for its or their own gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction, nor shall the Lender be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto. The Lender and its directors, officers, employees, agents and attorneys shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons.

(l) Termination of Agreement. The Lender shall, at the request and expense of the Borrowers, following the payment in full of all of the Indebtedness and termination of all commitments under the Loan Documents, reassign and redeliver to the Borrowers all of the Collateral hereunder which has not been sold, disposed of, retained or applied by the Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to the Lender, and shall be at the expense of the Borrowers.

(m) Counterparts. This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement. Each party agrees to be bound by its facsimile signature.

(n) Governing Law. The validity, interpretation and enforcement of this agreement and any dispute arising out of or in connection with this agreement, whether sounding in contract, tort, equity or otherwise, shall be governed by the internal laws (as opposed to the conflicts of laws provisions) and decisions of the State of Maryland.

(o) Submission to Jurisdiction. All disputes between any Borrower and the Lender, whether sounding in contract, tort, equity or otherwise, may be resolved by state and federal courts located in the Commonwealth of Virginia, and the courts to which an appeal therefrom may be taken, and each Borrower hereby consents to the service of process in the manner set forth in Section 12.7 of the Loan Agreement. In addition, each Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of the venue with respect to any action or proceeding brought in any of the courts referred to above and such Borrower hereby irrevocably waives and agrees not to plead or claim that any such action or proceeding has been brought in an inconvenient forum. In addition, the Lender shall have the right, to the extent permitted by applicable law, to proceed against any Borrower and/or its property in any location reasonably selected by the Lender in good faith to enable the Lender to realize on such property, or to enforce a judgment or other court order in favor of the Lender.

(p) JURY TRIAL. THE BORROWERS AND THE LENDER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY. INSTEAD, ANY DISPUTES WILL BE RESOLVED IN A BENCH TRIAL.

[*The Remainder of this Page Left Intentionally Blank-Signature Page Follows*]

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REEL: 003127 FRAME: 0648

IN WITNESS WHEREOF, the Borrowers have duly executed and delivered this Agreement as of the day and year first above written.

BORROWERS:

SHERWOOD BRANDS, INC., a North Carolina corporation

By: _____

Name: _____

Title: EVP

SHERWOOD BRANDS OF RI, INC., a Rhode Island corporation

By: _____

Name: _____

Title: EVP

ASHER CANDY, INC., a Wyoming corporation

By: _____

Name: _____

Title: EVP

SHERWOOD BRANDS OF MASSACHUSETTS, LLC, a Massachusetts limited liability company

By: _____

Name: _____

Title: EVP

TRADEMARK
REEL: 003127 FRAME: 0649

SHERWOOD BRANDS OF VIRGINIA, LLC, a Virginia limited liability company

By: _____

Name: _____

Title: EVP

SHERWOOD BRANDS, LLC, a Maryland limited liability company

By: _____

Name: _____

Title: EVP

SHERWOOD BRANDS OVERSEAS, INC., a Bahamas corporation

By: _____

Name: _____

Title: EVP

SHERWOOD BRANDS ZIP, LLC, a Maryland limited liability company

By: _____

Name: _____

Title: EVP

By acceptance hereof as of the 3rd day of June, 2005, the Lender agrees to be bound by the applicable provisions hereof.

TRADEMARK
REEL: 003127 FRAME: 0650

LENDER:

BRANCH BANKING AND TRUST COMPANY OF VIRGINIA,
a Virginia banking corporation

By: Caroline Pelton
Name: Caroline Pelton
Title: Vice President

SCHEDULE 1

TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT
Dated as of June 3, 2005
Intellectual Property Owned by the Borrowers

INTELLECTUAL PROPERTY	**REGISTRATION NUMBER (OR APPLICATION SERIAL NUMBER)**	**REGISTRATION (OR FILING DATE)**

Reg./Pending/Trademark Lists
Sherwood Brands, LLC; Sherwood Brands Zip, LLC; and Asher

REGISTERED TRADEMARKS			
CLIENT	**MARK**	**REGISTRATION NUMBER**	**DUE DATE**
LLC	14 Carrot	2860754	July 6, 2009
Asher	Asher	1975566	May 28, 2005
LLC	Bendy Buddies	2649259	November 12, 2007
LLC	Big Curl	2626542	September 24, 2007
LLC	Blood Balls	2773741	October 14, 2008
LLC	Cards & Pops	2619159	September 10, 2007
LLC	Conversation Pops!	2588952	July 2, 2007
LLC	Cool Cash	2508152	November 13, 2006
LLC	"Cows" w/Design of Cow	2145556	March 24, 2007
LLC	Cowpokes	2135985	February 10, 2007
LLC	Cows (word mark)	2338732	April 4, 2005
LLC	Demitasse	1658707	September 24, 2010
LLC	Design of 3 Carrots	2604740	August 6, 2007
LLC	Design of 4 Carrots	2604741	August 6, 2007
LLC	Design of 5 Carrots	2604739	August 6, 2007
LLC	Egg Streme	2681459	January 28, 2008
LLC	Egg-Streme	2764939	September 16, 2008
LLC	Elana	2666396	December 24, 2007
LLC	Elana & Design	1511976	November 8, 2007
LLC	Fruit Burst	2401735	November 7, 2005
LLC	Fruit Hill	2386158	September 12, 2005
Asher	Gourmet Canes	1771711	May 18, 2012

Reg./Pending/Trademark Lists
Sherwood Brands, LLC; Sherwood Brands Zip, LLC; and Asher

LLC	Gummi Skulls	2391946	October 3, 2005
LLC	Gummy Workshop	2765756	September 16, 2008
LLC	Holiday Gifts	2602558	July 30, 2007
??	Hot Co-Cow	2119938	December 9, 2006
LLC	Jelly Mummy Mix	2765757	September 16, 2008
LLC	Kastins	2688372	February 18, 2008
LLC	Little Princess	2648180	November 12, 2007
LLC	North Pole	2921508	January 25, 2010
LLC	PB Cows	2564012	April 23, 2007
LLC	Pumpkinheads	2705381	April 8, 2008
LLC	Rabbit Change	2398709	October 24, 2005
LLC	Ruger	1511159	November 1, 2007
LLC	Ruger	2659318	December 10, 2007
LLC	Secret Notes	2621269	September 17, 2007
LLC	Sherwood & Design	2453068	May 22, 2006
LLC	Sherwood Coffee Perks	2351828	May 23, 2005
LLC	Sherwood Pirate's Gold	2444418	April 17, 2006
LLC	Sherwood's Tokens of Love	2441208	April 13, 2006
LLC	Smile Pops	2447293	May 1, 2006
LLC	Smiley Face Design	2216344	January 5, 2008
LLC	Spooky Eyes	2698652	March 18, 2008
LLC	Stamp Pad Pals	2649258	November 12, 2007
LLC	Stuffed	2787287	November 25, 2008
LLC	The Great Easter Egg Hunt	2576078	June 4, 2007
LLC	The One and Only Gummy Candy Corn	2780735	November 4, 2008
LLC	The Reward	2659319	December 10, 2007

Reg./Pending/Trademark Lists

Sherwood Brands, LLC; Sherwood Brands Zip, LLC; and Asher

LLC	Strip 'O Pops	1620239	October 30, 2009
Asher	Tiger Tails	1766099	April 20, 2012
LLC	Tokens of Love	2500045	October 23, 2006
LLC	Tongue Tattoo	2321982	February 22, 2009
LLC	Tongue Tattoo	2373487	August 1, 2005
LLC	Tongue Tattoo Space Alien Suckers by Sherwood Brands	2859203	July 6, 2009
LLC	Witch's Brew	2771852	10/15/2008

Reg./Pending/Trademark Lists

Sherwood Brands, LLC; Sherwood Brands Zip, LLC; and Asher

PENDING TRADEMARKS			
CLIENT	**MARK**	**DATE FILED**	**SERIAL NUMBER**
Asher	Asher Wanderfuls	05/07/04	78/414753
Asher	Asher Wanderfuls The Candy Wand With A Twist	05/07/04	78/414755
Zip, LLC	Bling	2/16/05	78/568296
LLC	12 Carrot	10/19/01	76/327940
LLC	18 Carrot	10/19/01	76/327939
LLC	24 Carrot	10/19/01	76/327938
LLC	Cows w/ design	10/27/2004	78/506773
LLC	Food Fight	08/14/01	76/299269
LLC	Rockheads	5/5/2004	78/413435
LLC	THE NORTH POLE	1/6/2004	78/348306
LLC	Tongue Tattoo Scream Pops	12/11/00	76/178588
Zip, LLC	Zypperz	2/8/2005	78562847

LICENSOR	ADDRESS CONTACTS	TERM
Art in Motion **FINAL** AIM	2000 Hartley Avenue Coquitlam, British Columbia Canada, V3K 6W5 PD Contact: 604-525-3900 Gerri Sing	04/01/02 thru 04/01/03
Animal Planet **Discovery Communications Inc.** **FINAL**	Discovery Communications, Inc. One Discovery Place, HC08-09H Silver Spring, MD 20910 PD Contact: Michele Nadeau Hartmann Michele_Hartmann@discovery.com **Payments & Reports:** Discovery Licensing, Inc. P.O. Box 79517 Baltimore, MD 21279-0517 **Copies of Payments & Reports:** Vice President, Licensing Consumer & Educational Products Discovery Licensing, Inc. 1 Discovery Place Silver Springs, MD 20910	06/01/02 thru 03/31/06 parties may mutually agree to extend for additional 2 year renewals
Cosmo Girl **Hearst** **FINAL**	Hearst Magazines 1790 Broadway, 12th Florr New York, NY 10019 PD Contact: Dana Paris dparis@hearst.com Sheryl Victor svictor@hearst.com	04/01/04 thru 12/31/07
Discovery Kids **Discovery** **FINAL**	Discovery Communications, Inc. One Discovery Place, HC08-09H Silver Spring, MD 20910 PD Contact: Michele Nadeau Hartmann Michele_Hartmann@discovery.com **Payments & Reports:** Discovery Licensing, Inc. P.O. Box 79517 Baltimore, MD 21279-0517 **Copies of Payments & Reports:** Vice President, Licensing Consumer & Educational Products Discovery Licensing, Inc. 1 Discovery Place Silver Springs, MD 20910	06/01/02 thru 03/31/06 parties may mutually agree to extend for additional 2 year renewals
Dog Artlist International **FINAL** 4Kids Entertainment	Artlist International c/o 4Kids Entertainment Licensing, Inc. 1414 Avenue of the Americas New York, NY 10019 Susan Simpson Sr. VP Creative Director	09/21/04 thru 12/31/07

LICENSOR	ADDRESS CONTACTS	TERM
Got Milk? **FINAL** The California Fluid Milk Processor Advisory Board (CMPB)	CMPB 1801A Fourth Street Berkeley, CA 94710 PD contact: Jeff Manning (510) 883-1085 / phone (510) 883-1088 / fax manning@gotmilk.com	01/01/02 thru 12/31/05 extension thru 12/31/08
Hasbro **FINAL** Contract# Scrabble 2071 Monopoly 2070 Twister 2069 Contract# as of 9/1/04: Monopoly 101011 Scrabble 101012 Twister 101010	1027 Newport Avenue Pawtucket, RI 02862-1059 PD Contact: Mary Lasell, Sr. Licensing Mgr 401-727-6831 mlasell@hasbro.com Sandy Buchanan Approvals Contact 401-727-5626 / phone (401) 727-5595 / fax sbuchanan@hasbro.com	11/01/01 thru 12/15/04 extension: 12/16/04 thru 12/15/06
Jim Beam **FINAL**	The Beanstalk Group, LLC 28 E. 28th Street, 15th Floor New York, New York 10016-7930 Mark McCaster (212) 421-6060 nicholas.bloom@beanstalk.com submissions and samples to Jeff: Jeff Christensen Jim Beam Brands Co. 510 Lake Cook Road Deerfield, IL 60015-4916 (847) 948-8888 Jeff.Christensen@jbbworldwide.com	01/01/04 thru 12/31/06
Lionel **FINAL**	Lionel LLC 50625 Richjard W. Blvd. Chesterfield, MI 48051 submissions and samples to: Joyce Dearhamer (586) 949-4100 ext 1207 (586) 949-4100 ext 1207	08/01/04 thru 12/31/07
Marvel Comics	10 East 40th St. New York, NY 10016 Jill Cook in CA Licensing Manager jillcook@marvel.com Marvel Enterprises, Inc. 10474 Santa Monica Blvd. LA, CA 90025 (310) 234-8171 Carl Suecoff in NY legal csuecoff@marvel.com (212) 576-4066 submissions to: Brand Assurance Dept. in NY licensingapprovals@marvel.com	05/01/03 thru 09/30/05
Mijos HomieShop	708 AlfredNobel Dr. Hercules, CA 94547 submissions and samples to: Baine Secuya [homiespop8@homies.tv] David Gonzales, Creative Director dgonzales@homies.tv Roland Ballester legal	Easter 2005 thru Easter 2008 2 year extension at the request of licensee

LICENSOR	ADDRESS CONTACTS	TERM
Monster Garage	Discovery Communications, Inc. One Discovery Place, HC08-09H Silver Spring, MD 20910 PD Contact: Michele Nadeau Hartmann Michele_Hartmann@discovery.com	thru 04/30/07
NASCAR **FINAL** National Association for Stock Car Auto Racing, Inc.	One Wachovia Center 301 S. College Street Suite 3900 Charlotte, NC 28202 Candy Dowling (704) 348-9727 / phone cdowling@nascar.com Ashley Costello Account Executive, Brand Marketing (704) 348-9727 acostello@nascar.com	01/01/02 thru 12/31/04 extension: 01/01/05 thru 12/31/07
Norm. Rockwell **The Curtis Publishing Co.** **FINAL** Contract # SHER060302-2R	Curtis Publishing Company 1000 Waterway Boulevard Indianapolis, IN 46202 **All items to refernce:** contract ID number SHER060302-1R Donna Schnittgen Licensing Coordinator (317) 633-2070 dschnittgen@curtispublishing.com Jeanne Kelsay (317) 633-2070 jkelsay@curtispublishing.com	02/01/02 thru 01/31/05 extension: thru 01/31/08
Rudolph GT Merchandising & Licensing LLC **FINAL** Contract# 867	GT Merchandising & Licensing Corp. 16 East 40Th Street, 7th Floor New York, NY 1006 (212) 951-3739 Pamela Ferris-Muller VP, Licensing & Consumer Products (212) 951-3054 pferris@goodtimes.com	11/01/02 thru 12/31/05
Simply Lite Foods Corp. Sweet N' Low	Simply Lite Foods Corp. 74 Mall Drive Commacks, NY 11725	
Smiley **FINAL**	Smiley World, Ltd. 35-37 Grosvernor Gardens London SW1W OBS United Kingdom	08/08/02 thru 08/08/05
Sports Illustrated **FINAL**	Sports Illustrated Sports Illustrated Building 135 West 50th Street New York, New York 10020 Bruce Kaufman Director of New Product & TV Dev. (212) 522-7663 Bruce_kaufman@timeinc.com	October 9th thru December 31, 2006
WWE **FINAL** World Wrestling Entertainment, Inc.	1241 East Main Street Stamford, CT 06902 * Florence Di Giorgio PD Contact: Bernadette Hawks (203) 352-8600/ phone (203) 353-2856 / fax bernadette.rae@wwfent.com	01/01/02 thru 04/30/05

EXHIBIT A
[Form of Assignment]

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY ("Assignment") is made as of _____ ___ , 20__ by _____, a _____ (the "Assignor"), in favor of BRANCH BANKING AND TRUST COMPANY OF VIRGINIA, a Virginia banking corporation (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings attributed to such term in the hereinafter defined Agreement.

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Intellectual Property Security Agreement dated as of May ___, 2005 from Assignor to Assignee (as the same may be modified or amended from time to time, the "Agreement"), providing that under certain conditions specified therein Assignor shall execute this Agreement; and

WHEREAS, the aforementioned conditions have been fulfilled.

NOW THEREFORE, the Assignor hereby agrees as follows:

1. Assignment of Intellectual Property. Subject to the terms of the Agreement, the Assignor hereby grants, assigns and conveys to Assignee its entire right, title and interest in and to (a) the Intellectual Property listed on ***Schedule 1*** hereto and made a part hereof, and all renewals thereof, all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Intellectual Property"), and (b) the goodwill of the Assignor's business connected with and symbolized by the Intellectual Property. The Intellectual Property and such goodwill are collectively referred to herein as the "Collateral".

2. Representations and Warranties. The Assignor represents and warrants that it has the full right and power to make the assignment of the Collateral made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Collateral, except pursuant to the Agreement.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. Binding Effect; Governing Law. This Assignment shall be binding upon the Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state apply to the Collateral or any part thereof, be governed by and construed in accordance with the internal (as opposed to the conflict of laws provisions) laws of the State of Maryland.

TRADEMARK
REEL: 003127 FRAME: 0660

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed and delivered as of the date first above written.

Assignor:

_____

By: _____
Name: _____
Title: _____